

# **NORTH CAROLINA: EXPORTS, JOBS, AND FOREIGN INVESTMENT**

## **Exports Mean Jobs for North Carolina's Workers**

- Over one-fifth (20.1 percent) of all manufacturing workers in North Carolina depend on exports for their jobs. This is marginally less than the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)
- Export-supported jobs account for an estimated 8.4 percent of North Carolina's total private-sector employment (roughly one of every 12 jobs), which is higher than the national average of 6.5 percent (roughly one of every 15 jobs). (2001 data latest available)

*Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports on the U.S. economy.*

*Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.*

## **Exports Help Sustain Thousands of North Carolina Firms—Small As Well As Large**

- A total of 8,579 companies exported goods from North Carolina locations in 2001. Of those, 84 percent (7,186 firms) were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated over one-fourth (26.1 percent) of North Carolina's total exports of merchandise in 2001.

*Source: Exporter Data Base, International Trade Administration & Census Bureau*

## **Economic Globalization: A Two-Way Street for North Carolina**

- In 2002, majority-owned affiliates of foreign companies employed 212,700 workers in North Carolina, the ninth largest total among the 50 states.
- Over 40 percent of these foreign-investment-supported jobs (43 percent, or 91,400 workers) were in the manufacturing sector in 2002.
- Majority-owned affiliates of foreign firms accounted for 13.7 percent—almost one-seventh—of total manufacturing employment in North Carolina in 2001.
- Foreign investment in North Carolina was responsible for 6.7 percent of the state's total private-industry employment in 2001 (well above the national-level figure of 5 percent).
- Major sources of North Carolina's foreign-investment-supported jobs in 2002 were the United Kingdom, Germany, the Netherlands, Japan, and Switzerland.

*Note: All figures exclude employment in banks affiliated with foreign companies.*

*Source: Bureau of Economic Analysis.*

## **North Carolina Depends on World Markets**

- North Carolina's export shipments of merchandise in 2003 totaled \$16.2 billion. North Carolina was the 15<sup>th</sup> largest exporter among the 50 states in 2003.
- North Carolina's exports to the world increased by \$1.2 billion from 1999 to 2003, the 17<sup>th</sup> largest dollar increase among the 50 states.

- North Carolina exported globally to 198 foreign destinations in 2003. The state's largest market that year was NAFTA member Canada, to which North Carolina exported goods worth \$3.9 billion—almost one-fourth (24 percent) of the state's total exports. Canada was followed by Japan (\$1.6 billion) and NAFTA member Mexico (\$1.5 billion). Other top markets included Honduras, the United Kingdom, China, Germany, Hong Kong, South Korea, and France.
- Among North Carolina's top 30 export destinations, Honduras is North Carolina's biggest growth market, both in dollar and percentage terms. Export shipments to Honduras rose from \$163 million in 1999 to \$696 million in 2003—an increase of \$533 million, or 328 percent. Other markets to which North Carolina recorded large dollar increases in merchandise exports over the 1999-2003 period were China (up \$427 million), Japan (up \$280 million), El Salvador (up \$228 million), and South Korea (up \$167 million).
- From 1999 to 2003 North Carolina also more than doubled its exports to El Salvador (exports up 262 percent), China (up 192 percent), Switzerland (up 183 percent), Guatemala (up 162 percent), and the Dominican Republic (up 103 percent).
- North Carolina's leading manufactured export category is chemical manufactures, which alone accounted for \$3.0 billion, or 19 percent, of the state's total export shipments in 2003. Leading chemical exports include basic chemicals, pharmaceuticals and medicines, and a range of synthetic materials.
- Other top manufactured exports from North Carolina that year were computer and electronic products (\$2.7 billion), machinery manufactures (\$1.6 billion), fabric mill products (\$1.4 billion), and transportation equipment (\$1.2 billion).
- North Carolina's leading manufactured export growth category is chemical manufactures, whether measured in terms of percentage or dollar growth. Exports of chemical manufactures grew by \$1.1 billion during the 1999-2003 period. Other manufactured export categories with big dollar gains were fabric mill products (up \$446 million), machinery manufactures (up \$268 million), and plastic and rubber products (up \$205 million).
- Chemical manufactures was also North Carolina's fastest-growing manufactured export category during 1999-2003, posting a 57 percent gain over the period. Other fast-growing manufactured exports during this time span were fabric mill products (up 48 percent), petroleum and coal products (up 43 percent), and processed foods (up 41 percent).

*Source: Origin of Movement State Export Series, Bureau of the Census.*

*Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.*

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